

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER	)	
SERVICE DISTRICT TO ISSUE REVENUE BONDS	)	
IN THE APPROXIMATE PRINCIPAL AMOUNT OF	)	
\$9,630,000, SERIES 1997 FOR THE PURPOSE OF	)	CASE NO.
DEFEASING IN ADVANCE OF MATURITY THE 1989,	)	97-330
1991, AND 1992 SERIES REVENUE BONDS OF THE	)	
MERGED CAMPBELL COUNTY KENTUCKY WATER	)	
DISTRICT	)	

O R D E R

On July 24, 1997, the Northern Kentucky Water Service District ("Northern Kentucky Water") applied for authority to issue \$9,630,000 of Water District Refunding Revenue Bonds, Series 1997 ("Series 1997 Refunding Bonds"). The Series 1997 Refunding Bonds will have interest rates that vary from 4.05 percent to 5.25 percent per annum for a 14-year term.

The proceeds from the Series 1997 Refunding Bonds will be used to defease the outstanding revenue bonds of the former Campbell County Kentucky Water District ("Campbell County"). The Campbell County Revenue Bonds Series 1989, 1991, and 1992 have a combined outstanding principal amount of \$8,880,000. Northern Kentucky Water estimates this defeasement of the Campbell County Revenue Bonds will result in a total gross savings of \$927,000 and a net present value savings of \$274,000.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Northern Kentucky Water's proposal to issue \$9,630,000 of

Series 1997 Refunding Bonds is for a lawful object within Northern Kentucky Water's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Northern Kentucky Water is authorized to issue \$9,630,000 of Series 1997 Refunding Bonds, at an interest rate that will vary between 4.05 percent and 5.25 percent per annum.

2. Northern Kentucky Water shall issue its proposed Series 1997 Refunding Bonds only on such terms that will result in a positive net present value savings and which are consistent with Northern Kentucky Water's application.

3. Northern Kentucky Water shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.

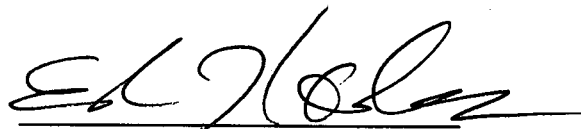
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Northern Kentucky Water's application.

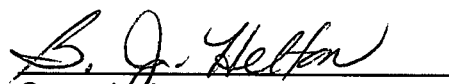
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 2nd day of September, 1997.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director